

October 31, 2012

Technical Director Financial Accounting Standards Board 401 Merritt 7, P.O. Box 5116 Norwalk, CT 06856-5116 director@fasb.org

Re: File Reference No. 2012-230: Invitation to Comment - Private Company Decision-Making Framework—A Framework for Evaluating Financial Accounting and Reporting Guidance for Private Companies

The Accounting and Auditing Procedures Committee (the Committee) of the Pennsylvania Institute of Certified Public Accountants (PICPA) appreciates the opportunity to comment on the proposed Private Company Decision-Making Framework (the Framework). The PICPA is a professional association of more than 20,000 CPAs working to improve the profession and better serve the public interest. Founded in 1897, the PICPA is the second-oldest CPA organization in the United States. Membership includes practitioners in public accounting, education, government, and industry. The Committee is composed of practitioners from both regional and small public accounting firms, members serving in financial reporting positions, and accounting educators.

Overall, the Committee agrees that the proposed Framework is reasonable. However, the Committee does not believe that the use of this Framework by the new Private Company Council (PCC) will result in any substantive relief for private companies. Specifically, the Committee noted that opportunities for recognition and measurement differences would be rare, based on the criteria established in the proposed Framework in Section 1.7. The Committee strongly urges revisions to the proposed methodology to be used by the PCC for determining differential accounting treatment for privately held entities to address the specific areas for which private companies need relief, such as FIN 48 *Accounting for Uncertainty in Income Taxes* (now ASC 740, *Income Taxes*) and FIN 46R, *Consolidation of Variable Interest Entities* (now ASC 810, *Consolidations*).

We appreciate your consideration of our comments. We are available to discuss any of these comments with you at your convenience.

Sincerely,

Richard E. Wortmann, CPA

Chair, PICPA Accounting and Auditing Procedures Committee